United Nations A/64/7/Add.2

General Assembly

Distr.: General
9 October 2009

Original: English

Sixty-fourth session
Agenda items 132, 143 and 144

Proposed programme budget for the biennium 2010-2011

Financing of the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994

Financing of the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991

Administrative and financial implications of the decisions and recommendations contained in the report of the International Civil Service Commission for 2009

Third report of the Advisory Committee on Administrative and Budgetary Questions on the proposed programme budget for the biennium 2010-2011

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the statement submitted by the Secretary-General (A/64/358) on the administrative and financial implications for the biennium 2010-2011 of the decisions and recommendations of the International Civil Service Commission on the common system, as contained in the report of the Commission to the General Assembly for 2009.[1]

[1] *Official Records of the General Assembly, Sixty-fourth Session, Supplement No. 30* and corrigendum (A/64/30 and Corr.2).

09-55264 (E) 151009

Please recycle

2. As in the past, the Advisory Committee has confined its consideration of the administrative and financial implications of recommendations contained in the report of the Commission to those submitted to the General Assembly by the Secretary-General in his statement. The Advisory Committee has not commented on the recommendations themselves or on their underlying rationale.

3. As indicated in the Secretary-General's statement, the annual report of the International Civil Service Commission for 2009 contains decisions and recommendations with financial implications for the proposed programme budget and the proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 related to:

(a) Conditions of service of staff under fixed-term appointments: introduction of end-of-service severance pay for fixed-term staff separating from the organization upon the expiration of contract after 10 or more years of continuous service in those organizations which have introduced and implemented the new contractual framework, as defined by the International Civil Service Commission in its 2005 annual report;

(b) Conditions of service of staff in the Professional and higher categories: base/floor salary scale.

II. Conditions of service of staff under fixed-term appointments

4. In paragraph 59 (b) of its 2009 report, the Commission recommended that the General Assembly introduce end-of-service severance pay for fixed-term staff separating from the organization upon the expiration of contract after 10 or more years of continuous service in those organizations which have introduced and implemented the new contractual framework, as defined by the Commission in its 2005 annual report, subject to the conditions and schedule provided in annex III to its report.[1] In paragraph 2 of his statement (A/64/358), the Secretary-General states that the Commission concluded that the costs incurred by such compensation mechanisms were deemed to be less than the costs for buyout packages. **It remains unclear to the Advisory Committee why a comparison is being made between the amounts that would be required if buyout packages were to be offered and those that could be incurred in connection with end-of-service severance payments upon the expiration of contracts.**

5. Furthermore, the Secretary-General notes in his statement that, in accordance with the provisions of General Assembly resolution 63/250, the Commission emphasized that the end-of-service grant is intended solely as severance pay to assist separating staff during their search for alternative employment and should not be construed as giving any expectancy of renewal of a fixed-term contract or its conversion to a continuing appointment. Moreover, it should be known as "end-of-service severance pay" and should be offered to qualifying staff as a separate measure distinct from termination indemnity. The end-of-service severance pay eligibility requirements are set out in annex III to the report of the International Civil Service Commission.[1]

6. The annual financial implications resulting from end-of-service severance pay for the United Nations and other participating organizations of the common system

have been estimated by the Commission to be approximately $4.6 million system-wide. The financial implications for the proposed programme budget of the United Nations and the proposed budgets for the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 have been estimated by the Secretary-General at $2,100,000, $214,200 and $30,700, respectively.

7. Upon enquiry, the Advisory Committee was informed that the above-noted amount of $4.6 million was calculated on the basis of the actual number of eligible separations for the two-year period 2006-2007, which was derived from data collected from all United Nations organizations. The assumption was made that the same number of separations would be experienced in any biennium. The Commission applied the proposed schedule[2] to the eligible cases, namely, non-renewals of contracts after 10 or more years of service. The calculation used the salary scales effective as at 1 January 2009 for Professional staff, and salary scales effective as of 1 June 2009 for General Service staff. The salary rates applied to each case were consistent with the grade of the staff member and the place of separation for that staff member. The Committee was also informed that, in some instances, organizations did not provide complete information on the cases of separation and that approximations therefore had to be made in those cases. Where data on the specific grade or place of separation were not available, the Commission used weighted average salaries for both Professional staff and General Service categories, making reference to the 2008 staff statistics of the United Nations System Chief Executives Board for Coordination.

8. The Advisory Committee was further informed that the introduction of end-of-service severance pay was recommended by the Commission for those United Nations common system organizations which had introduced the new contractual framework. As such, the Commission's estimate assumes that all United Nations organizations have adopted the contractual framework; in reality, its adoption may not happen simultaneously in all organizations. Some organizations will probably require time to implement the new contractual framework.

III. Conditions of service of staff in the Professional and higher categories

9. As indicated in paragraph 6 of the Secretary-General's statement, the cumulative movement of the United States federal civil service net salaries in Washington, D.C., the current comparator, increased by 2.9 per cent as from 1 January 2009. In addition, during the fiscal year 2009, there were changes in the United States federal income tax legislation, while no changes occurred in the state income tax legislation in the states of Maryland and Virginia and the District of Columbia. As a result, the comparator's reference salary (GS-13/GS-14 salary levels) was 3.04 per cent higher than the net salary of a P-4/VI in the current United Nations base/floor salary scale, as at 1 January 2009, as compared with 2008 levels. In accordance with the approved procedures and past practices, this would call for an upward adjustment of 3.04 per cent in the common system salary scale for staff in the Professional and higher categories, as from 1 January 2010. The increase in

[2] Ibid., annex III.

the base/floor salary scale would be implemented through the standard method of consolidating post adjustment multiplier points on a no-loss/no-gain basis.

10. As indicated in paragraph 7 of the statement, the annual financial implications of the adjustment of the base/floor salary scale for the United Nations and other participating organizations of the common system in respect of the scale of separation payments have been estimated by the Commission to be approximately $1,446,000. The financial implications for the proposed programme budget of the United Nations and the proposed budgets for the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 have been estimated by the Secretary-General at $493,600, $66,500 and $81,900, respectively.

11. The Advisory Committee notes that the proposed adjustment of the base/floor salary scale for staff in the Professional and higher categories would have an impact on the annual cost implications in connection with the above-mentioned end-of-service severance pay for fixed-term contracts, as well as other payments directly linked to the base/floor salary.

IV. Conclusion

12. As indicated in the Secretary-General's statement, the financial implications for the proposed programme budget and the proposed budgets of the International Criminal Tribunal for Rwanda and the International Tribunal for the Former Yugoslavia for the biennium 2010-2011 resulting from the recommendations and decisions of the International Civil Service Commission are estimated at $2,593,600, $280,700 and $112,600, respectively, with regard to end-of-service severance pay for staff under fixed-term appointments and separation payments for staff in the Professional and higher categories. The Secretary-General indicates that these requirements will be reflected in the recosting of the corresponding proposed budget estimates for the biennium 2010-2011 prior to determination of the appropriations to be adopted by the General Assembly in December 2009.

13. **The Advisory Committee has no objection to the Secretary-General's approach with respect to separation payments for staff in the Professional and higher categories in that these requirements will be reflected in the recosting of the proposed budget estimates for the biennium 2010-2011, as noted above.**

14. **As regards end-of-service severance pay, the Advisory Committee points out that the estimate, which is based on past trends, will be subject to change because, under the new contractual framework, staff on assignments of limited duration will be converted to fixed-term contracts. It will also be affected by the actual number of conversions of fixed-term contracts to continuing contracts in connection with the new contractual framework. Furthermore, the proposed adjustment of the base/floor salary scale for staff in the Professional and higher categories (see paras. 9-11 above) would also have an impact on the amount of financial resources required.**